

Council rate cap for 2021–22 set at 1.5 per cent

22 December 2020

Local government

Following advice from the Essential Services Commission, the Minister for Local Government, Shaun Leane has announced council rates will be capped at 1.5 per cent for the year ahead.

Victorian councils now have until 31 March 2021 to apply for an increase above the 1.5 per cent cap.

The average rate cap set is the maximum percentage increase allowable in councils' average rates for the forthcoming financial year.

Any council that considers the average rate cap insufficient for its needs can [apply to the commission for a higher cap](#).

No councils have existing approved higher rate caps that will continue into the 2021-22 year.

A council seeking to increase rates above the minister's cap must demonstrate community engagement and a long-term funding need, supported by good long-term financial planning.

Applications for variations from the rate cap for the 2021–22 financial year must be lodged with the commission by 31 March 2021. The commission has been engaging with councils across Victoria to discuss their obligations under the [Victorian Government's Fair Go Rates system](#) and the process for 2021-22 higher cap applications.

A [recent commission report](#) showed that most councils complied with the current rate cap, or an approved higher cap in 2020–21.

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